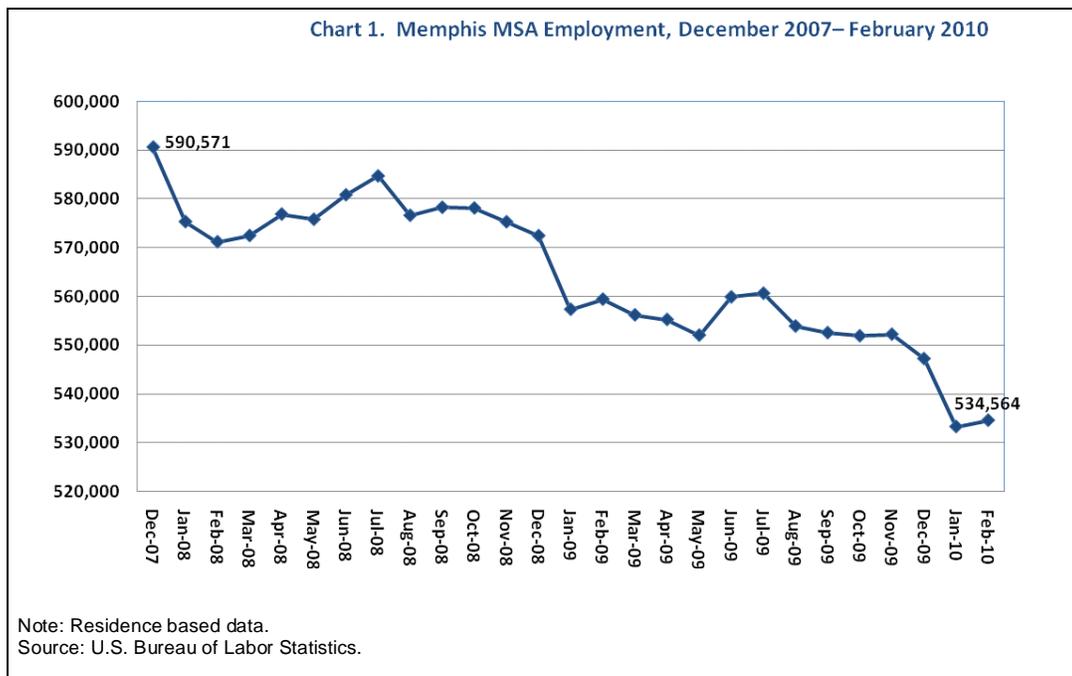


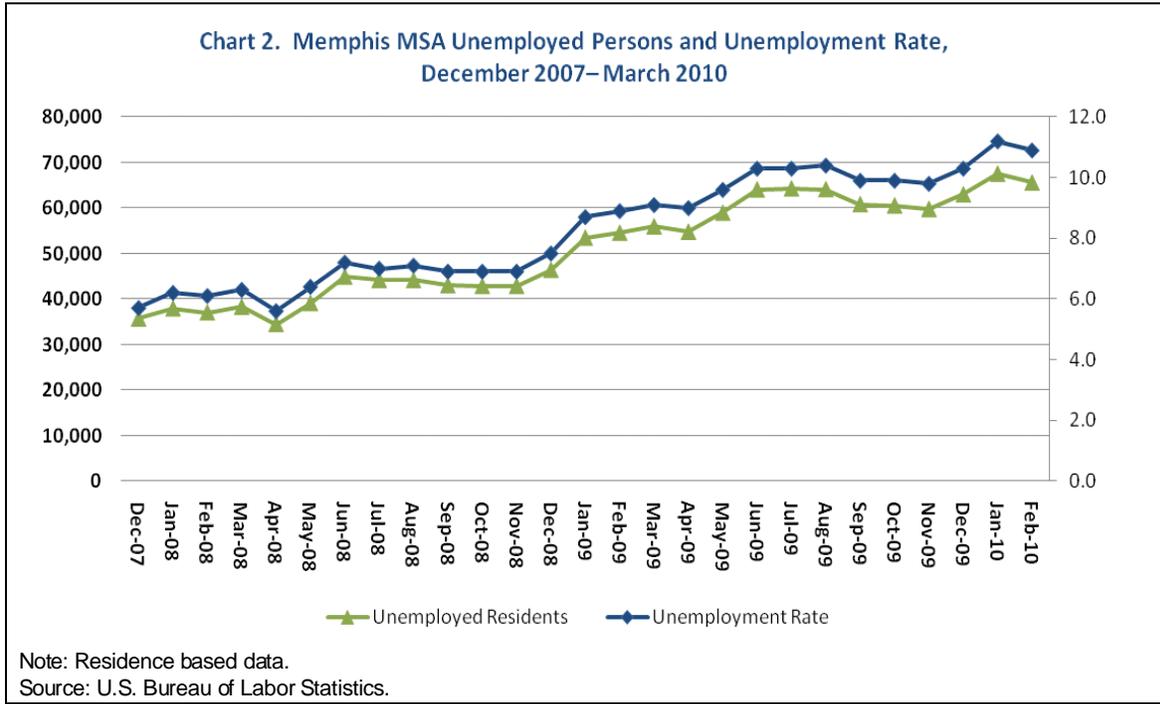
**Memphis in 2010: Transportation Gains Lead the Way**

Now that 2009 has closed and 2010 has started several governments are anticipating the current economic recession may be at an end. While the recession may technically be over, the local and national employment situation will make it feel as if we are still in the depths of the recession. As a lagging economic indicator, it is quite possible that unemployment could still grow even though the experts have declared the recession is over.

As shown in Chart 1, there were over 56,000 fewer people employed in the Memphis Metropolitan Statistical Area (MSA) as of February 2010 compared to when the recession officially began in December 2007. As shown in Chart 2, the number of unemployed persons in the MSA rose by over 27,000 to 65,556, while the unemployment rate rose from 5.7 percent to 10.9 percent in February 2010 (down from 11.2 in January 2010).



The data in Table 1 reveals that in terms of sheer volume, most of the job losses have been in the Professional and Business Services sector with approximately 15,700 jobs lost between December 2007 and March 2010, which coincides with the fact that the Memphis MSA is a service sector driven economy. Employment reductions in the manufacturing industry were less than half as much at 6,400, while construction related jobs decreased by 6,200. With increased outsourcing and continuing technological improvements, the manufacturing jobs lost are unlikely to return. However, the construction jobs lost may return once the current credit environment changes and lending begins to increase, but those events are still considered future events.



**Table 1. Memphis MSA Employment by Industry, December 2007–March 2010**

Sector	Dec-07 (000)	Mar-10 (000)	Change (000)	Percent Change
<b>Total</b>	649.2	582.6	-66.6	-10.3%
<b>Construction</b>	26.2	20.0	-6.2	-23.7%
<b>Manufacturing</b>	50.8	44.4	-6.4	-12.6%
<b>Retail Trade</b>	75.6	62.8	-12.8	-16.9%
<b>Transportation and Utilities</b>	66.5	59.8	-6.7	-10.1%
<b>Professional and Business Services</b>	87.5	71.8	-15.7	-17.9%
<b>Education and Health Services</b>	79.1	80.6	1.5	1.9%
<b>Leisure and Hospitality</b>	71.7	62.8	-8.9	-12.4%
<b>Other Services</b>	24.0	24.1	0.1	0.4%
<b>Government</b>	90.2	87.9	-2.3	-2.5%

Note: Establishment based data.  
Source: U.S. Bureau of Labor Statistics.

To be certain, looking at the employment numbers along with unemployment rate reveals a relatively grim picture. But, there have been many recent developments that paint a very different picture for the Memphis MSAs future, particularly in transportation and distribution and maybe even in manufacturing.

So, what does the Memphis MSA economy have in-store for the future? Being a part of the southeast is a positive attribute. As, the southeast has better weather, lower tax burdens, and lower labor costs than other traditional manufacturing centers of the midwest and northeast. Additionally, as shown in Table 2, the Memphis MSA has enjoyed a per capita personal income that is substantially higher than the U.S. as a whole.

**Table 2. Per Capita Personal Income, Memphis MSA, Tennessee, and the U.S., 2000–2001**

Year	Memphis MSA	Tennessee	U.S.
2000	\$28,520	\$29,847	\$26,691
2001	\$29,827	\$30,582	\$27,525
2002	\$30,564	\$30,838	\$28,123
2003	\$31,259	\$31,530	\$28,992
2004	\$32,809	\$33,157	\$30,246
2005	\$34,057	\$34,690	\$31,294
2006	\$35,535	\$36,794	\$32,871
2007	\$37,147	\$38,615	\$34,156
2008	\$37,792	\$39,582	\$34,833

Source: U.S. Bureau of Economic Analysis.

Furthermore, the proximity to major population centers of the east and the mid-west is a plus for the location of companies with time-sensitive goods and fast customer service requirements. All manufactured goods ultimately must be delivered to customers in a reasonable time. The ability to reduce shipping time is critical in reducing inventory costs to producers and consumers of goods. The ability of a region to offer quick, predictable, and reliable shipping services to the major population centers of the U.S. (and the world) has the potential to attract manufacturers of high value and time sensitive products.

Shipping customers have a few basic requirements such as reasonable costs and consistent service delivery. Consistent service delivery also encompasses service that is prompt, predictable, reliable, and safe. Reliable delivery is the most crucial expectation. Predictability, reliability, and speed are three major factors in the success of local favorite FedEx. FedEx's ability to deliver with these three major factors has attracted time sensitive industries to the Memphis area such as, aircraft parts; pathology labs; cut flowers; and computer distribution. Also, FedEx is expanding its global capacity via Memphis International Airport with the arrival of Boeing's 777 freight aircraft that allows for direct, non-stop routes to China and other Asian countries, reducing the delivery time of goods and documents by eliminating refueling stops in Anchorage, Alaska.

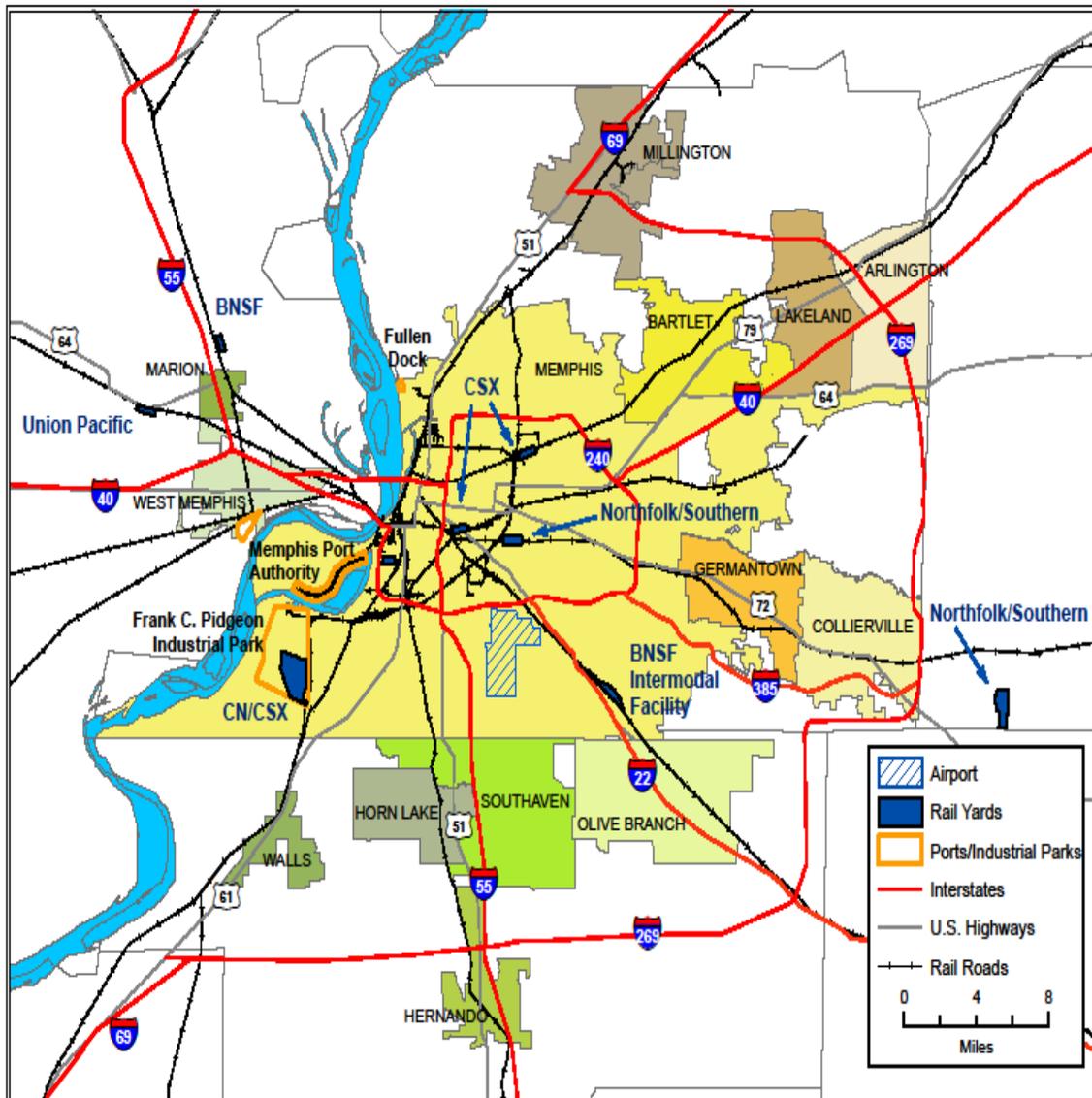
However, it is not just FedEx that makes the Mid-South an attractive place to do business. The increase in transportation infrastructure (see Map 1) in the Mid-South over the past few years (rail, highway, intermodal, and air) will help the area to grow quicker than other areas. The nearing completion of Tennessee Highway 385 along with the construction of Interstates 69 and 22 representing significant enhancements to the area's highway infrastructure and will substantially reduce travel times in and around the Memphis area.

Additionally, the completion and growth of regional intermodal facilities locally will help to offset infrastructure capacity issues in other areas of the country, thus helping to overcome transportation delays. Being host to five Class I railroads, the greater Memphis area is also home to numerous rail/intermodal facilities (see Map 1) including Canadian National at Pidgeon Park, Burlington Northern Santa Fe at Capleville (Southeast Memphis), Union Pacific in Marion Arkansas, and the planned Norfolk Southern facility in Fayette County between Piperton and Rossville.

Canadian National further enhanced its ability to provide faster, more reliable service via its Memphis facilities by bypassing Chicago with the purchase of the Elgin, Joliet, and Eastern Railroad that goes around Chicago instead of through Chicago as other Canadian National routes. In doing so, Canadian National provides nearly direct access to both the West coast port of Prince Rupert, BC, and the East coast port of Halifax, NS via Memphis.

As the world economy continues to improve, retail shipments from China and other Asian countries to the U.S. will lead the way. The continued trend of increased imports of retail goods from Asia will only pick up as the economy recovers. This increase will benefit areas with ample intermodal and distribution capacity, particularly as reduced travel time becomes more critical. With a transportation infrastructure that is second to none, Memphis is poised to take advantage of the economic recovery.

Map 1. Memphis Area Transportation Infrastructure



Prepared for the City of Memphis by the Sparks Bureau of Business and Economic Research/Center for Manpower Studies

## PROPERTY TAX REVENUES

Property Tax revenues are the largest single source of operating revenues. This tax is levied based on the assessed value of various types of property including:

- Real property (land, structures, and lease-hold improvements),
- Personal property (business equipment, excluding inventories for resale) and
- Public utility property (real and personal property owned by utilities and organizations regulated by the State),

In 2010, Memphis' assessed value of real property

- 52.97% Residential
- 34.50% Commercial
- 12.01% Industrial
- 0.08% Farm
- 0.44% Multiple

### Assessment Percentage of Appraisal

Residential	25%
Commercial	40%
Industrial	40%
Public Utility	55%
Farm	25%
Personal Property	30%

The assessed value of a residential property with an appraised value of \$100,000 would be \$25,000 (.25 x100,000), while a commercial property of the same appraised value would have an assessed value of \$40,000 (.40 x100,000).

Tax rates are set by the Council through the annual budget process. These rates are set as necessary in order to fund a balanced budget that provides services believed to be necessary and affordable.

The City Treasurer generates tax bills based on the assessed value of the property and the tax rate. That office also collects the taxes.

To calculate the property tax bill, the assessed value is divided by \$100 and the result is multiplied by the tax rate. For example, a residential property appraised at \$100,000 would be assessed at \$25,000 (the \$100,000 appraised value times the 25% residential assessment ratio). With a tax rate set at \$3.19, the calculation is:

$$\begin{aligned} \text{tax} &= (\$25,000/\$100) \times \$3.19 \text{ per } \$100 \\ &= \$250 \times \$3.19 = \$797.50 \end{aligned}$$

Property tax bills are mailed to property owners and, if taxes are paid through an escrow account, also to the mortgage holder. This normally occurs by July 1. Tax payments are due by the end of August.

Property appraisals are done by the Shelby County Assessor of Property, except for public utilities which are assessed by the Tennessee Regulatory Authority. Appraised value is the estimated market value at a point in time. Certain properties are exempt such as those owned by government, religious, charitable organizations, etc.

# FINANCIAL SUMMARY

# TAXING OVERVIEW

Historical property tax rates are displayed in the table below.

## HISTORY OF PROPERTY TAXES

Tax Year	Fiscal Year	General Fund	Schools	Debt Service	Capital Pay Go	Total Rate
1979	1980	1.740800	1.519200	0.476100	0.0000	3.74
1980	1981	1.720000	1.060000	0.290000	0.0000	3.07
1981	1982	2.000000	1.140000	0.410000	0.0000	3.55
1982	1983	2.080000	1.140000	0.450000	0.0000	3.67
1983	1984	1.680000	1.000000	0.450000	0.0000	3.13
1984	1985	1.680000	1.000000	0.450000	0.0000	3.13
1985	1986	1.830000	1.030000	0.450000	0.0000	3.31
1986	1987	1.909800	1.030000	0.370200	0.0000	3.31
1987	1988	1.896660	1.030000	0.383340	0.0000	3.31
1988	1989	1.588270	1.090000	0.631730	0.0000	3.31
1989	1990	1.662870	1.030000	0.617130	0.0000	3.31
1990	1991	1.620490	1.030000	0.659510	0.0000	3.31
1991	1992	1.094100	0.665655	0.386900	0.0000	2.15
1992	1993	1.304296	0.804955	0.566704	0.0000	2.68
1993	1994	1.610611	0.967537	0.596990	0.0000	3.18
1994	1995	1.672400	0.967538	0.535200	0.0000	3.18
1995	1996	1.672400	0.967538	0.535200	0.0000	3.18
1996	1997	1.672400	0.967538	0.535200	0.0000	3.18
1997	1998	1.672400	0.967538	0.535200	0.0000	3.18
1998	1999	1.376300	0.840675	0.548800	0.0000	2.77
1999	2000	1.376300	0.840675	0.548800	0.0000	2.77
2000	2001	1.751000	0.894900	0.724100	0.0000	3.37
2001	2002	1.678500	0.857800	0.694100	0.0000	3.23
2002	2003	1.675300	0.857800	0.694100	0.0032	3.23
2003	2004	1.675300	0.857800	0.694100	0.0032	3.23
2004	2005	1.675300	0.857800	0.694100	0.0032	3.23
2005	2006	1.908800	0.827100	0.694100	0.0032	3.43
2006	2007	1.908800	0.827100	0.694100	0.0032	3.43
2007	2008	1.908800	0.827100	0.694100	0.0032	3.43
2008	2009	2.342700	0.190000	0.714100	0.0032	3.25
2009	2010	2.291700	0.186800	0.714100	0.0031	3.19
2010	2011	2.291700	0.186800	0.714100	0.0031	3.19
2011	2012	2.478500	0.000000	0.714100	0.0031	3.19



## **LOCAL SALES TAX**

Local Option Sales Tax collections are the second largest revenue source for the City. The 9.25% sales tax rate consists of 2.25% local option and 7.0% state sales tax. The local portion is limited to the first \$1,600 of each sale. By state law ½ of the local sales tax must be allocated to schools. The local sales tax rate can be raised by referendum.

## **STATE SALES TAX**

State revenues are distributed from the state to the municipalities by percentage and population as stated in the Tennessee Code Annotated.

## **LICENSES AND PERMITS**

Licenses and Permits fees are collected by the Permits Office as authorized by Ordinance and the County Clerk.

## **FINES AND FOREITURES**

Fines and Forfeitures are collected by the City and County Clerk's Offices, and the Memphis Police Department.

## **CHARGES FOR SERVICES**

Charges for Services are payments due for specific services provided by the City of Memphis or for the use of City Property.

## **USE OF MONEY**

Maximum utilization of City dollars is accomplished by the investment of pooled funds in interest-bearing accounts. The City's Investment Specialists are responsible for such investments and determine which financial instruments provide the highest yield with a time frame commensurate with the City's need for liquidity and scheduled expenditures. In addition, a portion of the interest on investments is derived from funds that are managed by outside money managers.

## **TRANSFERS IN**

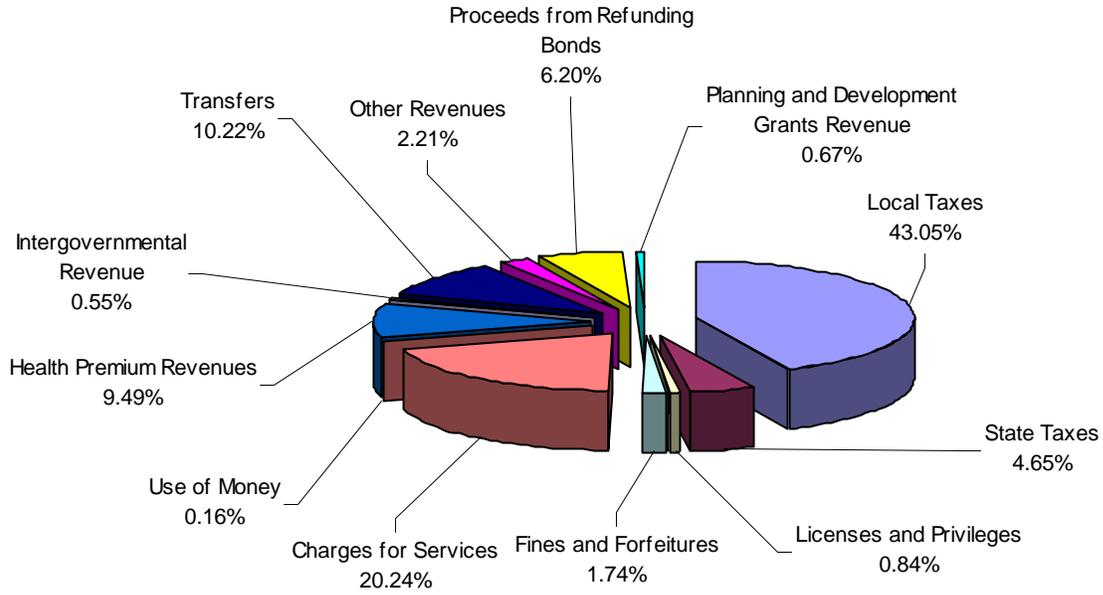
Transfers are made from various sources into the General Fund. One source is the State's Municipal Aid Fund. These funds are from gasoline and other fuel revenues that are disbursed throughout the counties and municipalities within the state of Tennessee as stated in Tennessee Code Annotated. Other sources are City Tax Sales, Drug Enforcement and Sewer Fund.



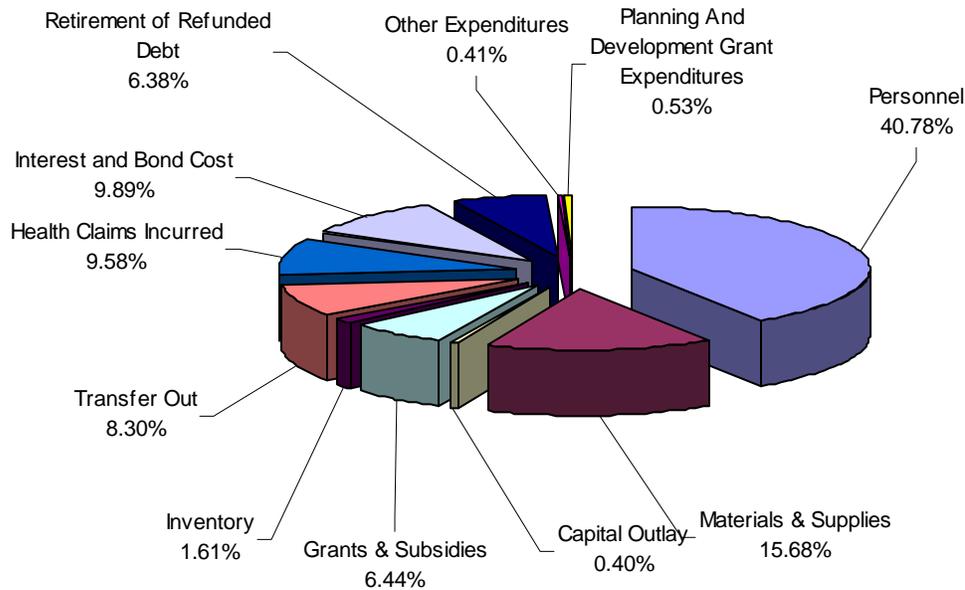
## BUDGET SUMMARY ALL FUNDS

Description	FY2010 Actual	FY2011 Adopted	FY2011 Forecast	FY2012 Adopted
<b>Revenues</b>				
Local Taxes	505,565,885	507,797,526	506,906,525	523,925,314
State Taxes	54,713,106	52,045,528	54,882,700	56,548,505
Licenses and Privileges	11,118,673	11,734,243	10,766,821	10,221,821
Fines and Forfeitures	12,161,981	13,026,396	12,993,606	21,117,500
Charges for Services	189,194,516	222,115,072	220,463,671	246,319,847
Use of Money	1,659,256	4,435,679	1,079,512	1,938,151
Health Premium Revenues	99,454,439	119,337,252	120,104,483	115,534,103
Intergovernmental Revenue	6,835,416	5,874,439	6,657,439	6,674,624
Transfers	75,165,086	146,595,803	143,019,278	124,351,823
Other Revenues	8,557,959	12,238,635	11,403,087	26,844,651
Proceeds from Refunding Bonds	175,209,405	0	0	75,400,000
Federal and State Grants	5,811,096	6,974,911	7,508,687	8,213,911
<b>Total Revenues</b>	<b>1,145,446,818</b>	<b>1,102,175,484</b>	<b>1,095,785,809</b>	<b>1,217,090,250</b>
<b>Expenditures</b>				
Personnel	483,436,970	509,339,834	504,976,426	481,651,759
Materials & Supplies	136,298,224	168,292,025	173,667,035	185,138,848
Capital Outlay	5,454,449	6,520,122	6,190,328	4,768,770
Grants & Subsidies	76,572,859	63,601,398	67,856,424	76,083,148
Inventory	15,779,419	18,967,883	22,056,386	18,961,550
Transfer Out	48,337,173	127,007,169	122,168,059	97,992,130
Health Claims Incurred	101,111,004	108,480,259	98,833,099	113,100,000
Interest and Bond Cost	133,618,559	96,745,735	94,519,910	116,789,440
Other Expenditures	5,799,901	4,835,000	4,929,105	4,826,853
Retirement of Refunded Debt	174,017,191	0	0	75,400,000
Planning & Development Grant Exp	3,585,691	5,036,962	5,036,962	6,280,398
<b>Total Expenditures</b>	<b>1,184,011,440</b>	<b>1,108,826,387</b>	<b>1,100,233,734</b>	<b>1,180,992,896</b>
Contribution (Use) of Fund Balance	(38,564,622)	(6,650,903)	(4,447,925)	36,097,354

**FY2012 ALL Funds Summary Revenues**



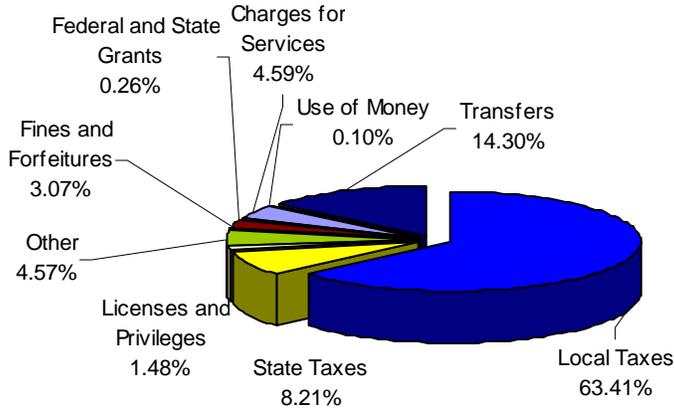
**FY2012 ALL Funds Summary Expenditures**



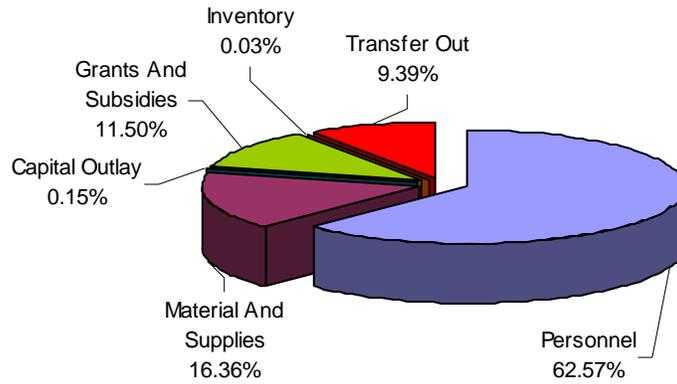
GENERAL FUND

Description	FY2010	Actual	FY2011 Adopted	FY2011 Forecast	FY2012 Adopted
<b>Revenues</b>					
Local Taxes	420,878,986	423,482,795	423,603,813	423,603,813	436,659,583
State Taxes	54,713,106	52,045,528	52,045,528	54,882,700	56,548,505
Licenses and Privileges	11,118,673	11,734,243	11,734,243	10,766,821	10,221,821
Fines and Forfeitures	12,161,981	13,026,396	13,026,396	12,993,606	21,117,500
Federal and State Grants	2,575,729	1,806,949	1,806,949	2,331,279	1,793,067
Charges for Services	31,815,236	29,483,170	29,483,170	32,197,599	31,636,225
Use of Money	876,828	2,035,679	2,035,679	573,151	673,151
Other/Intergov't Revenues	13,045,829	16,040,831	16,040,831	15,988,283	31,446,847
<b>Total General Revenues</b>	<b>547,186,368</b>	<b>549,655,591</b>	<b>549,655,591</b>	<b>553,337,252</b>	<b>590,096,699</b>
Transfers	58,537,514	127,766,897	127,766,897	127,486,267	98,486,897
<b>Total Revenues/Transfers</b>	<b>605,723,882</b>	<b>677,422,488</b>	<b>677,422,488</b>	<b>680,823,519</b>	<b>688,583,596</b>
<b>Expenditures</b>					
Personnel	416,446,928	437,927,219	437,927,219	438,043,312	413,868,243
Materials & Supplies	87,287,964	105,229,437	105,229,437	112,712,616	108,189,401
Capital Outlay	1,804,337	1,336,772	1,336,772	1,426,698	959,592
Grants & Subsidies	76,572,859	63,601,398	63,601,398	67,856,424	76,083,148
Inventory/Other Expenses	120,938	75,300	75,300	215,253	225,300
Transfer Out	45,662,173	64,996,056	64,996,056	65,765,844	62,075,084
<b>Total Expenditures</b>	<b>627,895,199</b>	<b>673,166,182</b>	<b>673,166,182</b>	<b>686,020,147</b>	<b>661,400,768</b>
Contribution (Use) of Fund Balance	(22,171,317)	4,256,306	4,256,306	(5,196,628)	27,182,828
<b>Fund balance beginning of year</b>	<b>106,603,000</b>			<b>84,431,683</b>	<b>79,235,055</b>
<b>Fund balance end of year</b>	<b>84,431,683</b>			<b>79,235,055</b>	<b>106,417,883</b>

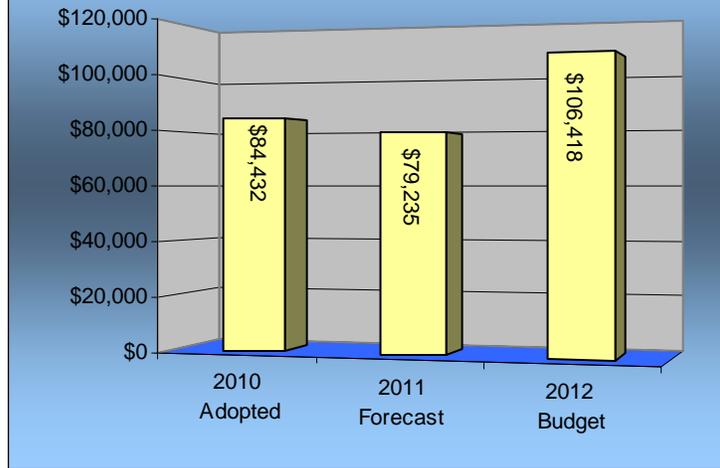
**FY2012 General Fund Revenues**



**FY2012 General Fund Expenditures**



**FY2012 General Fund Balance (in 000s)**

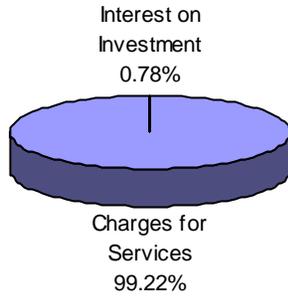


**ENTERPRISE FUND**

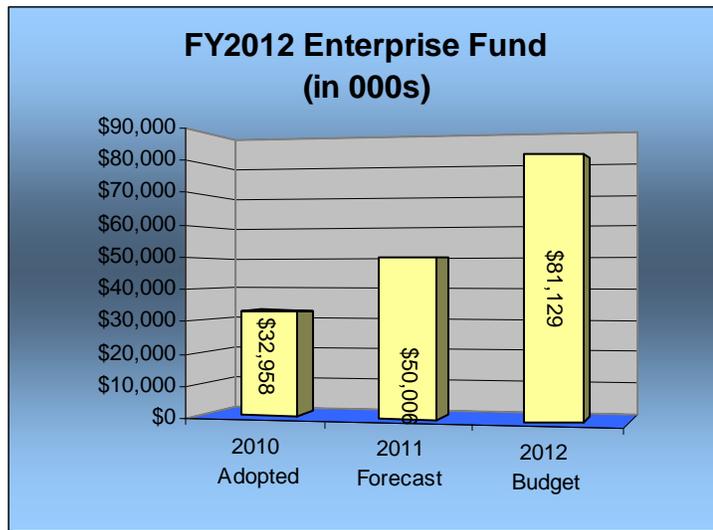
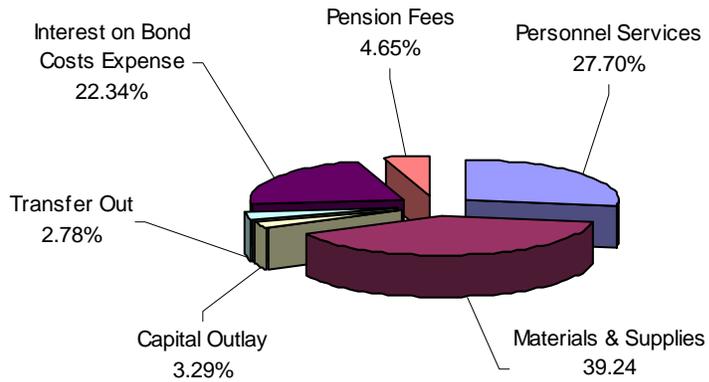
**Enterprise Funds** account for the acquisition, operations and maintenance of the City's facilities. These services are entirely or predominantly supported by user charges. The City periodically determines whether the revenue earned, expense incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

<b>Category</b>	<b>FY 2010 Actual</b>	<b>FY 2011 Adopted</b>	<b>FY 2011 Forecast</b>	<b>FY 2012 Adopted</b>
<b><u>Revenues</u></b>				
Interest on Investments	187,074	200,000	200,000	1,000,000
Charges For Services	79,594,200	99,846,500	100,707,246	126,061,320
Transfers in General Fund	0	452,000	452,000	452,000
<b>Total Revenue</b>	<b>79,781,274</b>	<b>100,498,500</b>	<b>101,359,246</b>	<b>127,513,320</b>
<b><u>Expenditures</u></b>				
Personnel Services	25,844,169	27,585,512	25,403,927	26,696,905
Materials & Supplies	20,511,933	29,192,016	27,343,642	37,825,338
Capital Outlay	2,789,092	4,619,980	4,011,925	3,169,186
Transfer Out	2,675,000	2,675,000	2,675,000	2,675,000
Other Expenditures	4,439,180	4,485,000	4,486,510	4,486,510
Interest on Bond Costs	17,950,000	17,434,500	20,389,940	21,537,440
<b>Total Expenditures</b>	<b>74,209,374</b>	<b>85,992,008</b>	<b>84,310,944</b>	<b>96,390,379</b>
Contribution (Use) of Fund Balance	5,571,900	14,506,492	17,048,302	31,122,941
<b>Fund balance beginning of year</b>	<b>27,386,000</b>		<b>32,957,900</b>	<b>50,006,202</b>
<b>Fund balance end of year</b>	<b>32,957,900</b>		<b>50,006,202</b>	<b>81,129,143</b>

**FY2012 Enterprise Fund Revenue**



**FY2012 Enterprise Fund Expenditures**

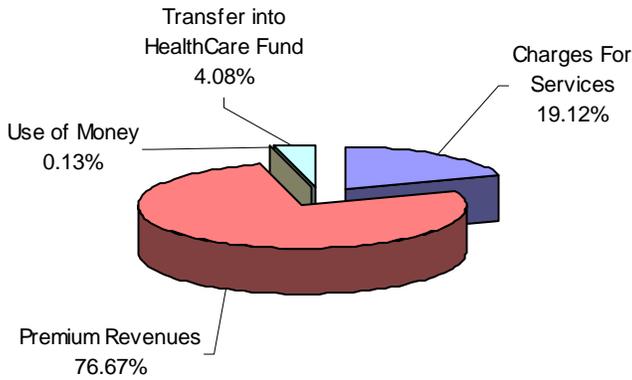


**INTERNAL SERVICE FUND**

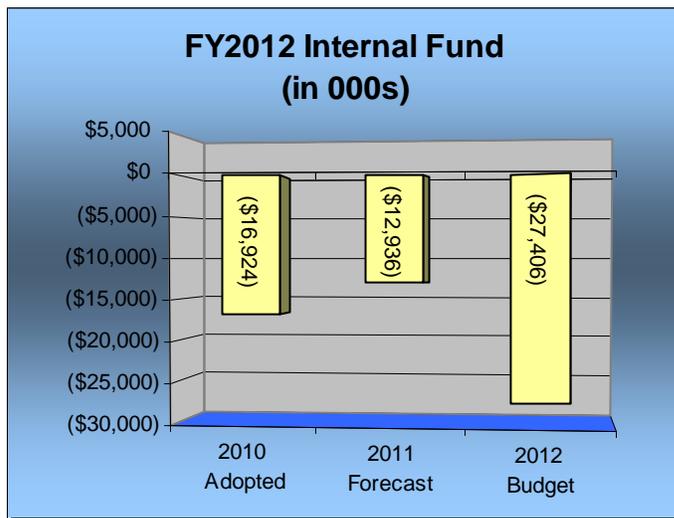
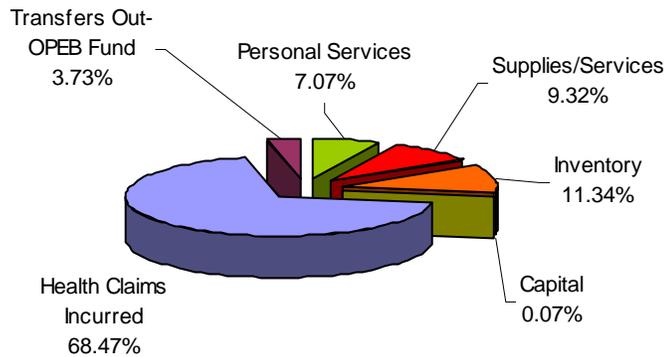
**Internal Funds** are used to budget for the costs of goods or services provided by one division or service center to other divisions for the City on a cost reimbursement basis.

<b>Category</b>	<b>FY2010 Actual</b>	<b>FY2011 Adopted</b>	<b>FY2011 Forecast</b>	<b>FY2012 Adopted</b>
<b><u>Revenues</u></b>				
Charges for services	26,686,052	33,127,369	28,475,914	28,819,300
Health Premium Revenues	99,454,439	119,337,252	120,104,483	115,534,103
Use of Money	341,774	200,000	241,361	200,000
Transfer in to HealthCare Fund	0	0	0	6,152,174
<b>Total Revenue</b>	<b>126,482,265</b>	<b>152,664,621</b>	<b>148,821,758</b>	<b>150,705,577</b>
<b><u>Expenditures</u></b>				
Personnel	11,757,839	13,224,892	12,505,413	11,679,511
Material & Supplies	7,092,975	10,522,966	11,209,963	15,389,779
Inventory	15,771,496	18,892,583	21,968,728	18,736,250
Capital Outlay	488,530	148,595	316,390	117,452
Health Claims Incurred	101,111,004	108,480,259	98,833,099	113,100,000
Transfer Out - OPEB Fund	0	5,642,898	0	6,152,174
<b>Total Expenditures</b>	<b>136,221,844</b>	<b>156,912,193</b>	<b>144,833,593</b>	<b>165,175,166</b>
Contribution (Use) of Fund Balance	(9,739,579)	(4,247,572)	3,988,165	(14,469,589)
<b>Fund balance beginning of year</b>	<b>(7,185,000)</b>		<b>(16,924,579)</b>	<b>(12,936,414)</b>
<b>Fund balance end of year</b>	<b>(16,924,579)</b>		<b>(12,936,414)</b>	<b>(27,406,003)</b>

**FY2012 Internal Service Fund Revenues**



**FY2012 Internal Service Fund Expenditures**

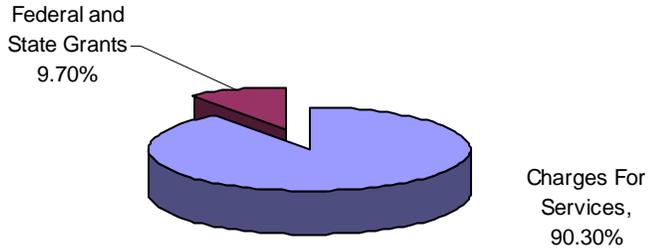


## Special Revenue Fund

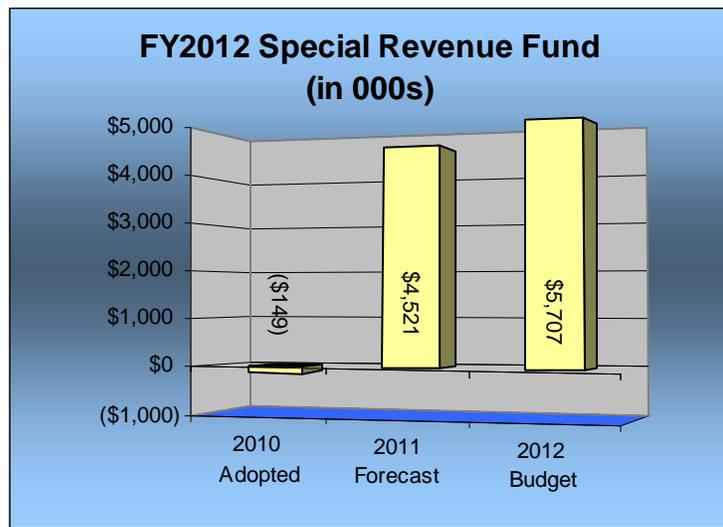
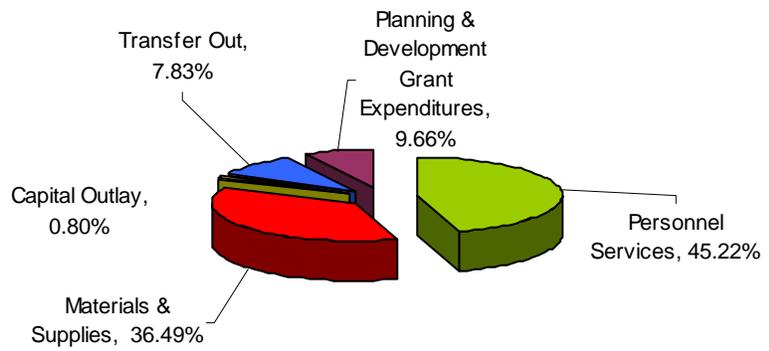
Special Revenue Funds are used to account of the proceeds of specific revenue sources (other than expendable trusts or for major capital projects) that are legally restricted to expenditures for specific purposes.

Description	FY 2010 Actual	FY 2011 Adopted	FY 2011 Forecast	FY 2012 Adopted
<b>Revenues</b>				
Charges For Services	51,099,028	59,658,033	59,082,912	59,803,002
Transfers	0	3,112,105	0	0
Federal and State Grants	3,235,367	5,167,962	5,177,408	6,420,844
<b>Total Revenue</b>	<b>54,334,395</b>	<b>67,938,100</b>	<b>64,260,320</b>	<b>66,223,846</b>
<b>Expenditures</b>				
Personnel Services	29,388,034	30,602,211	29,023,774	29,407,100
Materials & Supplies	21,405,352	23,347,606	22,400,814	23,734,330
Capital Outlay	372,490	414,775	435,315	522,540
Transfer Out	0	2,693,215	2,693,215	5,093,215
Planning & Development Grant Exp	3,585,691	5,036,962	5,036,962	6,280,398
<b>Total Expenditures</b>	<b>54,751,567</b>	<b>62,094,769</b>	<b>59,590,080</b>	<b>65,037,583</b>
Contribution(Use) of Fund Balance	(417,172)	5,843,331	4,670,240	1,186,263
<b>Fund balance beginning of year</b>	<b>268,172</b>		<b>(149,000)</b>	<b>4,521,240</b>
<b>Fund balance end of year</b>	<b>(149,000)</b>		<b>4,521,240</b>	<b>5,707,503</b>

**FY2012 Special Revenue Fund Revenues**



**FY2012 Special Revenue Fund Expenditures**

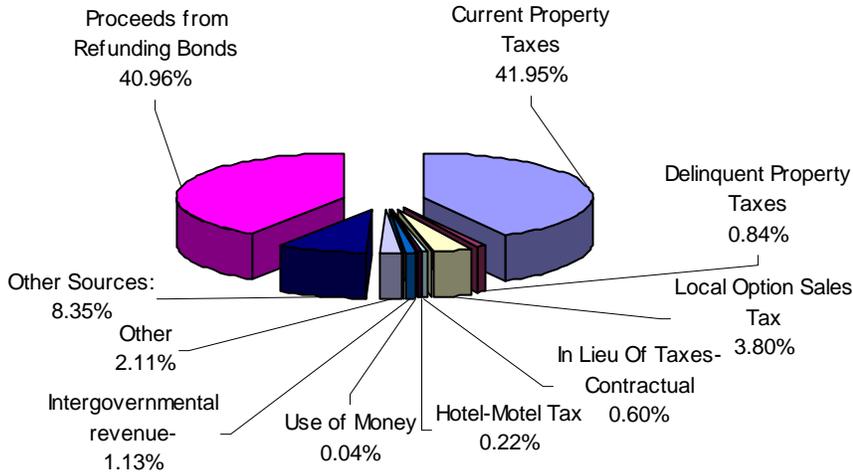


**DEBT SERVICE FUND**

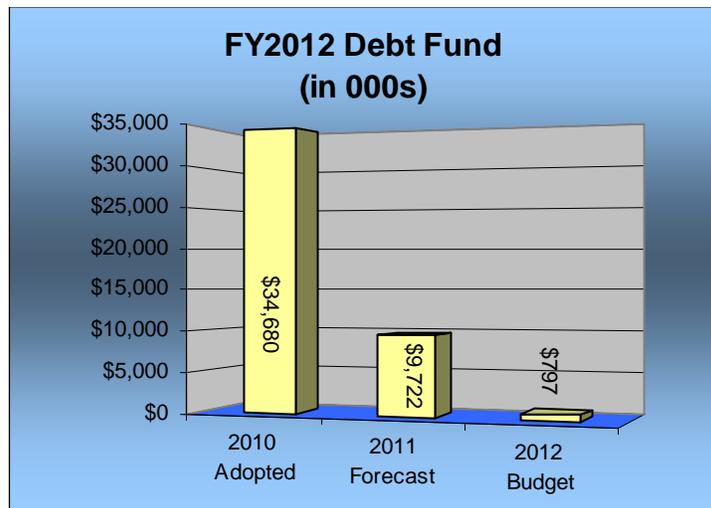
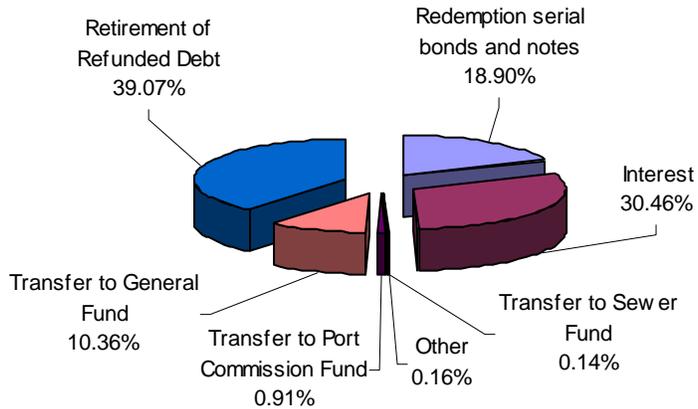
**Debt Service Fund** is used to account for the accumulation of resources for and the payment of general long-term debt principal, interest, and related costs.

<b>Description</b>	<b>FY 2010 Actual</b>	<b>FY 2011 Adopted</b>	<b>FY 2011 Forecast</b>	<b>FY 2012 Adopted</b>
<b>Revenues</b>				
Current Property Taxes	80,003,074	80,213,461	79,483,206	77,213,461
Delinquent Property Taxes	2,705,031	2,000,000	1,653,136	1,550,000
Local Option Sales Tax	0	0	0	7,000,000
In Lieu Of Taxes-Contractual	1,579,261	1,700,000	1,765,100	1,100,000
Hotel-Motel Tax	399,533	401,270	401,270	402,270
Use of Money	253,580	2,000,000	65,000	65,000
<b>Intergovernmental revenue-</b>				
Memphis Shelby County Airport Auth	2,074,268	2,072,243	2,072,243	2,072,428
Memphis Shelby County Port Com	273,278	0	0	0
<b>Other/Transfer</b>	16,627,572	15,264,801	15,081,011	19,260,752
<b>Total Revenues</b>	<b>103,915,597</b>	<b>103,651,775</b>	<b>100,520,966</b>	<b>108,663,911</b>
<b>Proceeds from Refunding Bonds</b>	<b>175,209,405</b>	<b>0</b>	<b>0</b>	<b>75,400,000</b>
<b>Total Revenues</b>	<b>279,125,002</b>	<b>103,651,775</b>	<b>100,520,966</b>	<b>184,063,911</b>
<b>Expenditures</b>				
Redemption serial bonds and notes	61,803,016	24,099,970	24,099,970	36,475,000
Interest	53,865,543	55,211,265	50,030,000	58,777,000
Other	1,247,706	350,000	315,000	315,000
Operating transfer Out (Sewer Fund)	0	0	0	272,000
Operating transfer Out (Port Comm Fund)	0	0	0	1,750,000
Operating transfer Out (General Fund)	0	51,000,000	51,034,000	20,000,000
Retirement of Refunded Debt	174,017,191	0	0	0
Retirement of Refunded Note	0	0	0	75,400,000
<b>Total Expenditures</b>	<b>290,933,456</b>	<b>130,661,235</b>	<b>125,478,970</b>	<b>192,989,000</b>
 Contribution(Use) of Fund Balance	 (11,808,454)	 (27,009,460)	 (24,958,004)	 (8,925,089)
 <b>Fund balance beginning of year</b>	 <b>46,488,838</b>		 <b>34,680,384</b>	 <b>9,722,380</b>
 <b>Fund balance end of year</b>	 <b>34,680,384</b>		 <b>9,722,380</b>	 <b>797,291</b>

**FY2012 Debt Service Fund Revenues**



**FY2012 Debt Service Fund Expenditures**



AN ORDINANCE TO APPROPRIATE THE PROCEEDS OF THE TAX LEVY ON THE ASSESSED VALUES ON ALL PROPERTIES OF EVERY SPECIES WITHIN THE CITY LIMITS FOR GENERAL PURPOSES FOR THE FISCAL YEAR JULY 1, 2011 THROUGH JUNE 30, 2012, INCLUSIVE, TOGETHER WITH ALL COLLECTIONS FROM PRIVILEGES, LICENSES, FEES, FINES, PERMITS, CHARGES, REQUESTS, TRANSFERS FROM NON-BUDGET ACCOUNTS, EARNINGS, REFUNDS, AND ALL OTHER ITEMS CONSTITUTING THE REVENUE RECEIPTS OF THE CITY OF MEMPHIS FOR THE FISCAL YEAR JULY 1, 2011 THROUGH JUNE 30, 2012, INCLUSIVE, TO PROVIDE THE MANNER IN WHICH MONIES MAY BE TRANSFERRED FROM ONE FUND TO ANOTHER AND TO PROVIDE THE STANDARD CODE OR DESIGNATIONS UNDER WHICH THE APPROPRIATIONS ARE TO BE ADMINISTERED AND ACCOUNTING CONTROL MAINTAINED.

SECTION 1. BE IT ORDAINED that the anticipated receipts herein appropriated shall be designated as follows:

1. GENERAL FUND, which shall embrace all expenditures for the accounts of the City corporation, except for the expenditures hereinafter appropriated to the Special Revenue Funds, Debt Service, Enterprise Funds, Internal Service Fund and Fiduciary Fund, including current operations and outlays for construction and equipment to be made from receipts herein appropriated.

**GENERAL FUND  
GENERAL REVENUES**

**LOCAL TAXES**

Ad Valorem Tax- Current	278,106,000
Ad Valorem Tax Prior	780,000
Rec In Lieu Of Taxes - Cont	5,220,500
Prop Taxes Int & Penalty	1,200,000
Bankruptcy Interest & Penalty	170,000
Special Assessment - Prior	130,000
Local Sales Tax	99,000,000
Alcoholic Bev Insp Fee	4,100,000
Beer Sales Tax	15,100,000
Gross Receipts Bus. Tax	12,000,000
Interest Penalties & Commissions	230,000
Business Tax Fees	900,000
Mixed Drink Tax	2,600,000
Bank Excise Tax	792,987
State Appointment TVA	7,800,000
Cable TV Franchise Fees	4,400,000
Miscellaneous Franchise Tax	650,000
Warrants and Levies	200
Miscellaneous Tax Recoveries	2,300,000
MLGW/Williams Pipeline	315,870
<b>TOTAL LOCAL TAXES</b>	<b>435,795,557</b>

STATE TAXES (LOCAL SHARE)	
State Income Tax	6,000,000
State Sales Tax	46,863,401
Telecommunication Sales Tax	50,000
State Shared Beer Tax	340,000
Alcoholic Beverage Tax	270,504
Spec Petroleum Product Tax	1,479,600
<i>TOTAL STATE TAXES (LOCAL SHARE)</i>	<u>55,003,505</u>
LICENSES & PRIVILEGES	
Liquor By The Oz License	250,000
Taxi Drivers Licenses	28,200
Gaming Pub Amusement Fees	13,000
Wrecker Permit Fee	9,088
Miscellaneous Permits	70,000
Beer Applications	65,000
Auto-Veh Reg/Inspect Fee	9,200,000
Beer Permits	140,000
<i>TOTAL LICENSES &amp; PRIVILEGES</i>	<u>9,775,288</u>
FINES AND FORFEITURES	
Court Fines	8,900,000
Court Costs	9,140,000
Fines & Forfeitures	100,000
Beer Applications (Fines)	100,000
Arrest Fees	260,000
<i>TOTAL FINES &amp; FORFEITURES</i>	<u>18,500,000</u>
CHARGES FOR SERVICES	
Tax Sales-Attorneys Fee	700,000
MLG & W Rents	2,400
Parking Lots	315,000
<i>TOTAL CHARGES FOR SERVICES</i>	<u>1,017,400</u>
USE OF MONEY	
Interest on Investments	300,000
Net Income/Investors	300,000
State Litigation - Tax Commission	73,151
<i>TOTAL USE OF MONEY</i>	<u>673,151</u>
OTHER REVENUES	23,860,911

TRANSFERS	
In Lieu of Tax-MLG&W	54,470,000
In Lieu of Tax-Sewer Fund	3,874,897
Transfer in Debt Service Fund	20,000,000
Transfer In Mun St Aid Fund	16,811,000
Transfer In Sewer Fund	1,300,000
Transfer In Solid Waste	2,031,000
<i>TOTAL TRANSFERS</i>	<u>98,486,897</u>

**TOTAL GENERAL REVENUES/ TRANSFERS IN 643,112,709**

**GENERAL FUND  
DEPARTMENTAL REVENUES**

EXECUTIVE	
Federal Grants	150,000
Local Shared Revenue	303,593
<i>TOTAL EXECUTIVE</i>	<u>453,593</u>

FINANCE	
Rezoning Ordinance Publication Changes	10,000
<i>TOTAL FINANCE</i>	<u>10,000</u>

FIRE	
Anti-Neglect Enforcement Program	200,000
Ambulance Service	18,500,000
Fire-Misc Collections	22,000
International Airport	3,802,196
<i>TOTAL FIRE</i>	<u>22,524,196</u>

POLICE	
Fines & Forfeitures	40,000
DUI BAC Fees	4,500
Sex Offender Registry Fees	49,000
Wrecker & Storage Charges	1,028,920
Tow Fees	1,099,214
Police Special Events	850,000
Sale of Reports	259,060
Officers in the School	1,067,000
Misc Revenue	44,000
Federal Grants	200,000
<i>TOTAL POLICE</i>	<u>4,641,694</u>

**PARKS**

Admissions - School Groups	14,000
Admissions - Groups	2,900
Admissions - Museum Workshops	17,800
Admissions - General	269,900
Museum Planetarium Fee	67,000
Senior Citizens Meals	135,000
Concessions	414,200
Golf Car Fees	1,126,000
Pro Shop Sales	107,500
Green Fees	1,850,400
Softball	119,850
Basketball	54,300
Ball Permit	28,750
Class Fees	92,200
Rental Fees	220,135
Day Camp Fees	214,050
After School Camp	7,500
Outside Revenue	1,579,758
St TN Highway Maint Grant	111,372
Local Shared Revenue	332,500
Misc Revenue-Cash Overage/Shortage	27,015
<b>TOTAL PARKS</b>	<b>6,792,130</b>

**PUBLIC WORKS**

St TN Highway Maint Grant	486,695
<b>TOTAL PUBLIC WORKS</b>	<b>486,695</b>

**HUMAN RESOURCES**

Gym Fees	15,000
<b>TOTAL HUMAN RESOURCES</b>	<b>15,000</b>

**PUBLIC SERVICES**

Dog License	274,965
County Dog License Fee	83,568
Library Fines & Fees	700,000
Weights/Measures Fees	540,000
Fleet/Mobile Fees	170,723
Shelter Fees	181,239
Animal Vaccination	18,234
Local Shared Revenue	654,709

# CITY OF MEMPHIS

# OPERATING BUDGET ORDINANCE

City of Bartlett	1,034,000
Misc Income	50,000
Grant Revenue - Library	16,000
<i>TOTAL PUBLIC SERVICES</i>	<u>3,723,438</u>
GENERAL SERVICES	
Fiber Optic Franchise Tax	466,026
Rent of Land	43,669
Easements and Encroachments	80,383
<i>TOTAL GENERAL SERVICES</i>	<u>590,078</u>
COMMUNITY ENHANCEMENT	
Special Assessment Tax	398,000
St TN Interstate Grant	750,000
<i>TOTAL COMMUNITY ENHANCEMENT</i>	<u>1,148,000</u>
ENGINEERING	
Sidewalk Permits	88,000
Subdivision Plan Insp Fees	385,000
Street Cut Inspection Fee	250,000
Traffic Signals	66,000
Signs-Loading Zones	12,800
Arc Lights	4,000
MLG&W Rent	400
St TN Highway Maint Grant	95,000
Sale of Report	14,363
<i>TOTAL ENGINEERING</i>	<u>915,563</u>
INFORMATION SYSTEMS	800,000
CITY COURT CLERK	
Court Fees	1,824,000
<i>TOTAL CITY COURT CLERK</i>	<u>1,824,000</u>
PLANNING AND DEVELOPMENT	
Landmarks Commission Misc. Revenue	1,546,500
<i>TOTAL PLANNING AND DEVELOPMENT</i>	<u>1,546,500</u>
<b>TOTAL DEPARTMENTAL REVENUES</b>	<b><u>45,470,887</u></b>
<b>TOTAL REVENUES GENERAL FUND</b>	<b><u><u>688,583,596</u></u></b>



**GENERAL FUND  
EXPENDITURE BUDGET**

**EXECUTIVE**

Mayor's Office	1,126,281
Chief Administrative Office	328,095
Auditing	967,584
Mayor's Citizen Service Center	334,361
Youth Services/Community Affairs	1,806,202
Emergency Operations Center	637,919
<i>TOTAL EXECUTIVE</i>	<u>5,200,442</u>

**FINANCE**

Administration	375,830
Financial Management	1,625,929
Purchasing	686,086
Budget	461,503
Debt & Investment Management	176,381
City Treasurer	1,404,478
Financial & Strategic Planning Office	189,353
<i>TOTAL FINANCE</i>	<u>4,919,560</u>

**FIRE**

Administration	2,032,490
Apparatus Maintenance\Hydrant Repair	7,038,994
Logistical Services	1,805,430
Training	2,677,378
Communications	4,734,573
Fire Prevention/Public Education	5,175,334
Firefighting	92,431,054
EMS	32,921,061
Airport	3,673,263
<i>TOTAL FIRE</i>	<u>152,489,577</u>

**POLICE**

Executive Administration	31,298,447
Support Services	27,394,657
Precincts	115,081,010
Investigative Services	28,594,102
Special Operations	23,830,784
<i>TOTAL POLICE</i>	<u>226,199,000</u>



PARKS	
Administration	576,788
Planning & Development	138,911
Park Operations	5,378,209
Park Facilities	3,148,425
Zoo	1,790,873
Brooks Museum	614,460
Memphis Botanic Gardens	521,058
Fairgrounds/Stadium	1,882,308
Recreation	8,344,625
Golf	4,334,617
<i>TOTAL PARKS</i>	<u>26,730,274</u>
PUBLIC WORKS	
Administration	806,639
Street Maintenance	5,178,068
Street Lighting	12,195,000
<i>TOTAL PUBLIC WORKS</i>	<u>18,179,707</u>
HUMAN RESOURCES	
Administration/EAP	859,685
Health, Wellness & Benefits	584,075
Recruitment & Selection	3,780,098
Compensation/Records Administration	773,929
Labor Relations/EEO	317,855
Academy of Learning & Development	514,054
<i>TOTAL HUMAN RESOURCES</i>	<u>6,829,696</u>
PUBLIC SERVICES & NEIGHBORHOODS	
Administration	545,234
Special Services	1,873,643
Animal Shelter	2,951,001
Vehicle Inspection	2,491,887
Memphis/Shelby County Music Commission	210,495
Memphis Public Libraries	16,252,395
<i>TOTAL PUBLIC SERVICES &amp; NEIGHBORHOODS</i>	<u>24,324,655</u>
GENERAL SERVICES	
Administration	576,223
Property Maintenance	6,291,790
Real Estate	358,549
Operation Of City Hall	2,139,386

Printing/Mail Services	1,938,035
<i>TOTAL GENERAL SERVICES</i>	<u>11,303,983</u>
HOUSING & COMMUNITY DEVELOPMENT	
Housing	310,940
Economic Development	4,272,596
Community Initiatives	934,062
Business Development Center	306,950
<i>TOTAL HOUSING &amp; COMMUNITY DEVELOPMENT</i>	<u>5,824,548</u>
COMMUNITY ENHANCEMENT	
Administration	567,583
Community Enhancement	7,728,513
<i>TOTAL COMMUNITY ENHANCEMENT</i>	<u>8,296,096</u>
CITY ATTORNEY	13,129,398
ENGINEERING	
Engineering Design & Administration	2,270,061
Signs And Markings	2,446,879
Traffic Signal Maintenance	2,556,001
<i>TOTAL ENGINEERING</i>	<u>7,272,941</u>
INFORMATION SYSTEMS	17,209,462
CITY COUNCIL	1,537,715
CITY COURT JUDGES	609,486
CITY COURT CLERK	3,313,718
RED LIGHT CAMERA	1,365,066
	<u>4,678,784</u>
GRANTS & AGENCIES	
Black Business Association	200,000
Chamber Foundation	1,350,000
Coliseum	150,000
Convention Center	1,000,000
Delta Commission on Aging	143,906
Economic Development	3,000,000
Elections	1,075,000
Facility Management Program Expense	1,545,000

Family Safety Center	100,000
Launch Memphis	25,000
MATA	16,930,000
Memphis Film & Tape	150,000
MLGW Citizen Assistant	1,000,000
Pensioners Insurance	28,451,500
Planning & Development	2,000,000
Pyramid	500,000
Rightsizing Budget Cost	1,300,000
Riverfront Development	2,373,859
Shelby County	6,646,149
Shelby County Assessor	414,129
Transfer Out - Board of Education	55,237,285
Transfer Out- CRA Program	2,102,988
Transfer Out- Storm Water Fund	232,820
Transfer Out- Misc Grants Fund	33,200
Transfer Out- Unemployment Funds	400,000
Administrative Expenses	174,608
Urban Art	130,000
<i>TOTAL GRANTS &amp; AGENCIES</i>	<u>126,665,444</u>
<b>TOTAL EXPENDITURES / TRANSFERS GENERAL FUND</b>	<b>661,400,768</b>
CONTRIBUTION TO FUND BALANCE	<u>27,182,828</u>
	<u><b>688,583,596</b></u>

**2. SPECIAL REVENUE FUNDS**

A. HOTEL/MOTEL TAX FUND

HOTEL/MOTEL TAX FUND  
REVENUE BUDGET

Hotel/Motel Tax	3,400,000
Transfer from New Memphis Arena Fund	965,000
<i>TOTAL REVENUES</i>	<u>4,365,000</u>

EXPENDITURE BUDGET

Convention/Visitor's Bureau	2,213,571
Transfer to New Memphis Arena Fund	965,000

Transfer To Debt Service Fund	1,186,429
<i>TOTAL EXPENDITURES</i>	<u>4,365,000</u>

B. MUNICIPAL AID FUND, which shall embrace expenditures from Municipal State Aid Fund receipts.

MUNICIPAL STATE AID FUND  
REVENUE BUDGET

State Three Cent Tax	3,846,000
State One Cent Tax	2,062,300
State Gas Tax	12,671,000
<i>TOTAL REVENUES</i>	<u>18,579,300</u>

EXPENDITURE BUDGET

Operating Transfer Out To General Fund	16,811,000
Operating Transfer Out To Debt Service Fund	1,768,300
<i>TOTAL EXPENDITURES</i>	<u>18,579,300</u>

C. NEW MEMPHIS ARENA FUND

NEW MEMPHIS ARENA FUND  
REVENUE BUDGET

Local Taxes	965,000
State Shared Revenues	12,000,000
Transfer From Hotel Motel Fund	965,000
Transfer From MLGW	2,500,000
<i>TOTAL REVENUES</i>	<u>16,430,000</u>

EXPENDITURE BUDGET

Sports Authority	2,500,000
Shelby County	12,000,000
Transfer To Hotel Motel Fund	965,000
Contribution to Fund Balance	965,000
<i>TOTAL EXPENDITURES</i>	<u>16,430,000</u>

D. METRO ALARM FUND

METRO ALARM FUND  
REVENUE BUDGET

Alarm Revenue	402,355
<i>TOTAL REVENUE</i>	<u>402,355</u>

EXPENDITURE BUDGET

Alarm Operating Expenses	402,355
<i>TOTAL EXPENDITURES</i>	<u>402,355</u>

E. ZOO GRANT

ZOO GRANT  
REVENUE BUDGET

Contribution from Fund Balance	95,000
<i>TOTAL REVENUE</i>	<u>95,000</u>

EXPENDITURE BUDGET

Zoo Grant Expenses	95,000
<i>TOTAL EXPENDITURES</i>	<u>95,000</u>

F. MLK PARK IMPROVEMENTS

MLK PARK IMPROVEMENTS  
REVENUE BUDGET

MLK Park Improvements Revenue	140,446
Contributed from Fund Balance	124,340
<i>TOTAL REVENUE</i>	<u>264,786</u>

EXPENDITURE BUDGET

MLK Park Improvements Expenses	264,786
<i>TOTAL EXPENDITURES</i>	<u>264,786</u>

G. SOLID WASTE MANAGEMENT FUND

SOLID WASTE MANAGEMENT FUND  
REVENUE BUDGET

Solid Waste Disposal Fee	58,532,262
Sanitation Inspection Fee	620,140
Waste Reduction Grant	73,000
Recycling Proceeds	100,000
<i>TOTAL REVENUES</i>	<u>59,325,402</u>

EXPENDITURE BUDGET

Solid Waste Management Expenses	57,995,044
Contribution To Fund Balance	1,330,358
<i>TOTAL EXPENDITURES</i>	<u>59,325,402</u>

H. PLANNING & DEVELOPMENT

PLANNING & DEVELOPMENT  
REVENUE BUDGET

Depot Redevelopment Agency	78,328
Industrial Dev Board	600,000
Neighborhood Planning/CRA	521,734
CRA/Projects	5,046,867
Tree Bank	33,469
<i>TOTAL REVENUE</i>	<u>6,280,398</u>

EXPENDITURE BUDGET

Depot Redevelopment Agency	78,328
Industrial Dev Board	600,000
Neighborhood Planning/CRA	521,734
CRA/Projects	5,046,867
Tree Bank	33,469
<i>TOTAL EXPENDITURE</i>	<u>6,280,398</u>

**3. DEBT SERVICE FUND**

The Debt Service Fund shall embrace expenditures for the payment of interest and installments on the public debt.

DEBT SERVICE FUND  
REVENUE BUDGET

Current Property Tax	77,213,461
Delinquent Property Tax	1,550,000
Local Option Sales Tax	7,000,000
In Lieu of Taxes- Contractual	1,100,000
Hotel-Motel Tax	402,270
Use of Money	65,000
Intergovernmental Rev.	4,658,428
Other Revenues	1,302,921
Municipal State Aid Fund	1,768,300
Transfer in General Fund	4,042,448
Solid Waste Management Fund	4,062,215
Transfer in Storm Water Management Fund	4,412,440
Hotel/Motel Fund	1,186,430
Proceeds From Refunding Bonds	75,400,000
Contribution From Fund Balance	8,825,221
<i>TOTAL REVENUES / TRANSFERS IN</i>	<u>192,989,134</u>

EXPENDITURE BUDGET

Redemption of serial bonds and notes	36,475,078
Interest	58,777,056
Other	315,000
Transfer to Sewer Fund	272,000
Transfer to Port Commission Fund	1,750,000
Transfer to General Fund	20,000,000
Retirement of Refunded Note	75,400,000
<i>TOTAL EXPENDITURES / TRANSFERS OUT</i>	<u>192,989,134</u>

**4. ENTERPRISE FUNDS**

A. SEWER FUND which shall embrace expenditures from City Sewer Fees, Connection Fees, Miscellaneous Fees, and other monies used for Sewer Services operating and debt service purposes.

SEWER FUND  
REVENUE BUDGET

Sewer Fees	100,918,000
Sewer Connection Fees	300,000
Sewer Special Connections	100,000
Rents	32,000
Other Revenues	150,000
Subdivision Development Fees	500,000
Interest on Investments	1,000,000
<i>TOTAL REVENUES</i>	103,000,000

EXPENDITURE BUDGET

Environmental Inspection & Preventive Maintenance	5,752,657
T E Maxson Treatment Plant	14,761,631
Maynard Stiles Treatment Plant	14,987,636
Lift Stations	1,233,799
Environmental Administration	4,082,165
Environmental Maintenance	10,158,059
Sanitary Sewer Design	916,417
Dividend To General Fund	1,300,000
Cost Allocation- General Fund	1,075,000
Materials & Supplies	110,000
Pension Fees	1,000
Bond Sale	150,000
In Lieu of Tax	4,000,000
Payment of Debt Service	16,834,000
State Loan & Principal & Interest	141,000
Increase (Decrease) in Net Assets	27,496,636
<i>TOTAL EXPENDITURES</i>	103,000,000

B. STORM WATER FUND which shall embrace expenditures from City Storm Water Fees, Drainage Fees, Miscellaneous Fees, and other monies used for Storm Water Services operating and debt service purposes.

STORM WATER FUND  
REVENUE BUDGET

Storm Water Fees	24,275,500
Open Transfer In - General Fund	232,820
Fines & Forfeitures	5,000
<b>TOTAL REVENUES</b>	<b>24,513,320</b>

EXPENDITURE BUDGET

PW/Drain Maintenance	6,693,386
PW/ Heavy Equipment Services	2,576,976
PW/ Flood Control	1,368,695
PW/Storm Water	1,261,178
CE/ Street Sweeping	2,416,749
ENG/ Drainage Design	273,008
Cost Allocation- General Fund	300,000
MLGW Billing	485,510
Materials & Supplies	50,000
Depreciation	1,049,073
Transfer Out - Debt Service	4,412,440
Increase (Decrease) in Net Assets	3,626,305
<b>TOTAL EXPENDITURES</b>	<b>24,513,320</b>

**5. INTERNAL SERVICE FUND**

HEALTHCARE  
REVENUE BUDGET

Employer Contributions	56,249,641
Employee Contributions	18,197,526
Other (Medicare Part D/Interest)	130,000
Increase/(Decreases) in Net Assets	10,183,778
<b>TOTAL REVENUES</b>	<b>84,760,945</b>

## EXPENDITURE BUDGET

Personnel	447,506
Materials & Supplies	4,643,015
Claims Incurred	73,515,000
Transfer Out	6,152,174
Other	3,250
<b>TOTAL EXPENDITURES</b>	<b>84,760,945</b>

**6. FIDUCIARY FUND**OTHER POST EMPLOYMENT BENEFITS (OPEB)  
ADDITIONS

Employer	30,288,268
Members	9,798,668
Medicare Part D	1,000,000
Transfer In	6,152,174
Interest on Investments	70,000
<b>TOTAL ADDITIONS</b>	<b>47,309,110</b>

## DEDUCTIONS

Benefits	39,585,000
Administrative Expenses	2,722,360
Medicare Buy-backs	5,000,000
Other	1,750
<b>TOTAL DEDUCTIONS</b>	<b>47,309,110</b>

SECTION 2. BE IT FURTHER ORDAINED that for the purposes of budget control, administration and accounting of the appropriations made herein for the fiscal year, July 1, 2011, through June 30, 2012, inclusive, the Division and Program names shall be as set out in accordance with the requirements of Section One (1) hereof.

SECTION 3. BE IT FURTHER ORDAINED that Council estimates of the revenues of the City of Memphis for the fiscal year, July 1, 2011, through June 30, 2012, inclusive, which are applicable to the purposes for which taxes are levied shall be set in the schedule within Section 1.

SECTION 4. BE IT FURTHER ORDAINED that all monies subject to appropriation by all divisions shall be deposited with the City Treasurer for the use of the City and all monies so received shall be considered appropriated regardless of the foregoing estimates by items until the appropriations have been filled.

Thereupon, any surplus shall become and be designated Unappropriated Revenue and be subject to lawful appropriation by the Council. Such amounts are not appropriated for the use of the Division receiving same, but shall be carried as a memorandum of collections and earnings.

SECTION 5. BE IT FURTHER ORDAINED that the Comptroller shall have no power to authorize withdrawal of funds constituting the current operating revenues of the City of Memphis from the Treasury of the City of Memphis nor shall any obligations for the expenditures of any such funds be incurred except in pursuance of this ordinance; provided, however, that the Council may appropriate in the current year a greater amount for the operation of any Division, or for any corporate purpose other than those for which an appropriation shall have been made herein in the event that the current revenues shall be available for such purposes; and, provided further, that said expenditures shall be authorized by ordinance or resolution duly adopted by the Council.

SECTION 6. BE IT FURTHER ORDAINED that where work is done or materials furnished by one service center for another service center, the Comptroller is directed to charge the appropriation of the service center receiving and to credit the appropriation of the service center furnishing such labor or materials with the proper cost thereof, when said charge is accepted by the service center receiving same.

SECTION 7. BE IT FURTHER ORDAINED that the Comptroller shall maintain on file in his/her office the line item budget of each program, and that sums not to exceed the preceding amounts set forth in totals by Division and Program for the several funds shall so far as may be needed, be appropriated for the purpose shown for the fiscal year, July 1, 2011 through June 30, 2012, inclusive.

The Mayor shall have the authority to approve transfers between line items within the total amounts of each category (Personnel, Supplies and Services, Grants & Subsidies, Capital Outlay and Expense Recoveries).

The Mayor shall have the authority to approve transfers between categories within the total amounts of each program as set forth herein, however, each transfer shall have a maximum limit of \$50,000 and each Program shall have an annual cumulative limit of \$100,000 for transfers between categories, within the total amounts of each Program. Any transfer of appropriations between Programs shall be made only upon the authorization by ordinance or resolution of the Council.

SECTION 8. BE IT FURTHER ORDAINED, that at the end of the fiscal year which is fixed as June 30, the City Comptroller be authorized to transfer funds as necessary in order that budgeted appropriations not be exceeded in each Program and that the transfer of funds shall not result in an increase in the total Fiscal Year 2012 budget.

SECTION 9. BE IT FURTHER ORDAINED that pursuant to the provisions of the City Charter as amended when any obligation has been incurred by order, contract, agreement to purchase, hire, receive or otherwise obtain anything of value for the use of the City by the joint action of the respective Division Directors, a liability shall be construed to have been created against the appropriation of the Division affected and the respective Division Directors and Program Heads in charge and other persons are prohibited from incurring liabilities in excess of the amount appropriated for each budget of each Program, the totals of which are set out in Section One (1), hereof, of additional amounts which may hereafter be authorized by the Council.

SECTION 10. BE IT FURTHER ORDAINED that, at the close of each fiscal year, which is fixed as June 30, any unencumbered balance of an appropriation shall revert to the appropriate fund balance account or net assets account and shall be subject to reappropriation by the Council, encumbered appropriations shall be carried forward into the next fiscal year from the current year budget in furtherance of improvements or for any corporate purpose which will not be completed within such current fiscal year.

SECTION 11. BE IT FURTHER ORDAINED that it shall be the duty of the Comptroller to keep an account of each object item appropriation made by the City Council and each such account shall show the appropriations made thereto, the amounts drawn thereon, and he/she shall make available such information on each appropriation account to the Directors of the various Divisions.

SECTION 12. BE IT FURTHER ORDAINED that no claims against the City shall be paid except by means of a check, manual or electronic, on the Treasury issued and signed/authorized by the Comptroller.

SECTION 13. BE IT FURTHER ORDAINED that the Council expressly declares that each section, subsection, paragraph and provision of this ordinance is severable, and that should any portion of this ordinance be held unconstitutional or invalid, the same shall not affect the remainder of this ordinance, but such unconstitutional or invalid portion be elided, and the City Council declares that it would have passed this ordinance with such unconstitutional or invalid portions elided.

SECTION 14. BE IT FURTHER ORDAINED that this ordinance take effect from and after the date it shall have been passed by the Council, signed by the Chairman of the Council, certified and delivered to the Office of the Mayor in writing by the Comptroller and become effective as otherwise provided by law.

SECTION 15. BE IT FURTHER ORDAINED that the administration is directed to study the feasibility and legality of levying an occupational privilege tax and submit its findings to the Memphis City Council by January 2012.

SECTION 16. BE IT FURTHER ORDAINED that the administration is directed to study the feasibility of revising its parking fees and structure of service delivery by January 2012.

SECTION 17. BE IT FURTHER ORDAINED that the administration shall evaluate the consolidation of Parks, Community Enhancement and Public Services Divisions by November 2011.

SECTION 18. BE IT FURTHER ORDAINED that the administration will evaluate the pension plan in order to address unfunded pension and OPEB liabilities. (See Attached Resolution, Page 3, Section 1)

SECTION 19. BE IT FURTHER ORDAINED that the organization structure will change whereby the Executive Division will transfer two (2) legal levels (OYS and Human Services & Community Affairs) to the Public Services Division. Whereas, the reporting structure changes will be budget neutral.

SECTION 20. BE IT FURTHER ORDAINED that if for any reason a budget ordinance is not adopted prior to the beginning of the next succeeding fiscal year, one-twelfth (1/12) of the appropriations from the previous fiscal years' adopted budget ordinance shall become the appropriation for the new fiscal year until the adoption of the new fiscal year budget ordinance is approved, in accordance with Section 6-56-210, TENNESSEE CODE ANNOTATED, provided sufficient revenues are being collected to support the continuing appropriations.

Myron Lowery, Chairperson

Attest: Patrice Thomas, Comptroller

THE FOREGOING ORDINANCE  
 # 5318 PASSED  
 1st Reading 5-3-11  
 2nd Reading 5-17-11  
 3rd Reading 6-21-11  
 Approved Bill Morrison  
 Chairman of Council  
 Date Signed: 7-5-11  
 Approved: [Signature]  
 Mayor, City of Memphis  
 Date Signed: 07-07-2011

I hereby certify that the foregoing is a true copy, and said document was adopted by the Council of the City of Memphis as above recited and approved by the Mayor.

Valerie C. Grapes  
 Comptroller

**FINANCIAL SUMMARY****AUTHORIZED COMPLEMENT**

	<b>FY 2010 Adopted</b>	<b>FY 2011 Adopted</b>	<b>FY 2012 Adopted</b>
<b>GENERAL FUND</b>			
<b>Executive</b>	54	53	45
<b>Finance</b>	92	90	81
<b>Fire Services</b>	1876	1874	1862
<b>Police Services</b>	2755	3016	3028
<b>Park Services</b>	262	261	237
<b>Public Works</b>	162	140	128
<b>Human Resources</b>	52	54	46
<b>Public Services</b>	419	375	377
<b>General Services</b>	166	157	125
<b>HCD</b>	5	5	5
<b>Community Enhancement</b>	128	130	112
<b>City Attorney</b>	68	68	65
<b>City Engineering</b>	152	146	124
<b>Information Services</b>	39	39	17
<b>City Council</b>	26	26	25
<b>City Court Judges</b>	5	5	5
<b>City Court Clerk</b>	66	66	65
<b>GENERAL FUND TOTAL</b>	<b>6327</b>	<b>6505</b>	<b>6347</b>



**FINANCIAL SUMMARY****AUTHORIZED COMPLEMENT**

	<b>FY 2010 Adopted</b>	<b>FY 2011 Adopted</b>	<b>FY 2012 Adopted</b>
<b>SPECIAL REVENUE FUND</b>			
Metro Alarm Fund	5	5	6
Solid Waste Management Fund	653	610	604
<b>SPECIAL REVENUE FUND TOTAL</b>	<b>658</b>	<b>615</b>	<b>610</b>
<b>ENTERPRISE FUNDS</b>			
Sewer Treatment & Collection - Operating Fur	290	290	289
Storm Water Fund	147	147	146
<b>ENTERPRISE FUNDS TOTAL</b>	<b>437</b>	<b>437</b>	<b>435</b>
<b>INTERNAL SERVICE FUNDS</b>			
Health Insurance Fund	12	12	12
Printing & Mail Fund	13	13	0
Fleet Management Fund	181	180	158
<b>INTERNAL SERVICE FUNDS TOTAL</b>	<b>206</b>	<b>205</b>	<b>170</b>
<b>TOTAL AUTHORIZED COMPLEMENT</b>	<b>7628</b>	<b>7762</b>	<b>7562</b>



### **Capital Improvement Budget Process**

The Fiscal Years 2012-2016 **Capital Improvement Program (CIP)** is a multi-year plan for capital expenditures to replace and expand the City's infrastructure, vehicles and equipment. The program is updated annually to reflect the latest priorities and to provide updated cost estimates and available revenue sources.

The purpose of the CIP is to fund capital projects and capital acquisitions that will provide a long-term benefit to the citizens of Memphis. Because projects in the CIP Plan have long term benefits, they are financed over a longer period of time. Present and future users of the projects pay for the projects.

The **Capital Improvement Budget** is the annual budget that funds major construction projects, acquisition of property, capital equipment purchases and ongoing capital programs for the City. For program purposes, the City defines a capital improvement as a major improvement or acquisition over \$50,000 that will last 10 years. Capital Acquisitions between \$5,000 and \$50,000 generally have a useful life of 5 years.

Preparing the Capital Improvement Budget requires identifying the various sources of revenue for the projects such as general obligation bonds, federal grants, state grants, private funds and Capital Pay As You Go. In addition, each project must be evaluated as to the impact it will have on the City's operating budget.

The CIP process begins in October with the submission of projects by each Division to the CIP committee. The CIP Committee is composed of various Division representatives of the City's operations. Construction project costs are developed through an internal planning process. Estimates of costs for each capital project include planning and design, land acquisition, site improvements, construction and other costs needed to make new facilities operational. As a general rule, architectural/engineering (A/E) costs are 12% of the construction cost of a building project. Large construction projects over \$1,000,000 are generally designed one year and constructed the next year. A/E costs for street and bridge projects can vary according to the type of project and other factors. New facilities that require staff, utilities, maintenance and other costs are reviewed to determine the cost that must be included in the operating budget.

The CIP Committee evaluates, scores, and ranks projects by priority. Projects are ranked using various criteria such as the amount of funds available, importance to the overall mission of the Division and strategic priorities of the Mayor and City Council. Projects with the highest priority receive the available funding.

The Mayor then submits the proposed CIP plan to the City Council in April for adoption. Adoption by the City Council allocates funds for the first year of the program with specific language on how to appropriate and spend capital funds contained in the CIP resolution. Projects allocated in the previous years' Capital Budget, that have been delayed, may be reprogrammed according to the priorities of the administration for spending in the new plan.

## Financing the Capital Improvement Program

### Long Term Debt

The City's proposed Capital Budget has \$180,741,535 in total allocations for FY 2012. General Obligation Bonds are \$105,273,471 or 58.25% of the total revenue for the FY 2012.

### Federal Grants/State Grants

Federal and State grants represent \$23,320,021 or 12.9% of the revenue in the FY 2012 Capital Budget. The majority of these Federal funds are for MATA projects and Public Works projects that qualify for Federal grants. State grants represent the State matching portion of the MATA funds and Public Works projects that qualify for State funds.

### Sewer Funds

Sewer funds are \$33,000,000 or 18.26% of the revenue in the FY 2012 Capital Budget and are used to fund projects to maintain and improve the sewer system. The Sewer Fund issues revenue bonds to finance most projects.

## Capital Improvement Budget Highlights

The Capital Improvement funding plan strategy has been modified to better link approved capital projects to available debt capacity. For FY2012, the City's objective is to issue debt at a level in which 50% of the principal is paid over a 10 year period. This new strategy has reduced G.O. bond funding available for capital projects by approximately \$20.0 million compared to prior years.

Project spending priorities are focused on projects that enhance the City's economic development strategy, projects that leverage federal or private funding, projects mandated by law, and projects that maintain existing facilities.

Highlights of these strategies are as follows:

- **Executive Division** - Electrolux project - a \$20 million economic development project that will bring over 1,000 jobs to the city.
- **Fire Division** - Funds for two "Quintuple Combination Pumpers" or quints. These apparatus will serve a dual purpose of engine and ladder truck and will lower fire's operation cost
- **Police Division** - Budget includes funds for 117 police cars.
- **Public Works Division** - Budget includes funds to pave more than 400 lane miles of streets each year. ADA ramp improvements, and several road projects also highlight the FY 2012 budget. The **Stormwater Fund** CIP budget will allow the City to make major investments in drainage infrastructure throughout the City. The **Sewer Fund** projects are for the repair and replacement of sewer infrastructure, new sanitary sewers, and improvements to the treatment plants.

- **General Services Division** - Budget includes major ADA improvements, funding for minor improvements to various City buildings and miscellaneous equipment replacement. This budget also reflects the strategy to concentrate City-wide vehicle purchasing in this division to achieve economic scale.
- **Housing and Community Development Division** - Budget includes continued funding for Hope VI and the redevelopment of Dixie Homes.
- **Engineering Division** - Budget includes funding for replacement of traffic signals, and intelligent transportation improvements.
- **Information System Division** - Budget includes projects for a major upgrade to the City's Oracle Computer System and Treasury System.
- **Memphis Area Transit Authority** - Budget is heavily leveraged by Federal and State funding. Preventive maintenance is funded partially by G.O. Bonds.

## Operating Budget Impact

Pursuant to the Budget highlights noted above the following Capital purchases have a operating expense impact.

- **Fire Division** - The purchase of this division's moving stock is coordinated by the General Services (GS) Division. Within the GS capital acquisition purchases are two "Quintuple Combination Pumpers" commonly called Quints. Because Quints have multiple functions, they will reduce the equipment needed to respond to a fire or emergency medical calls. Operating Quints will save personnel cost and fuel cost. It is estimated that a gradual strategy, implemented throughout FY2012, to place Quints in service will save over \$1.0 million in the first year. This savings has been incorporated into the operating budget.
- **Police Division** - This division's moving stock is also purchased by the General Services Division. Within the capital acquisition cost are 117 marked police vehicles. Although there are efficiencies, with newer vehicles, in gas mileage, and service requirements their operating cost is budget neutral. Police does however pay the debt service on the vehicles to the debt fund. Their payment to the debt fund is increased by \$300,000. IN FY2012 this increase is in the general fund expenditures budget of Police.
- **Information Services** is scheduled to implement an upgrade to the City's treasury system, and an upgrade to a new release of the City's Oracle system. These enhancements will impact operating cost for maintenance agreements by \$110,000 and \$150,000 respectively. The increased maintenance costs are reflected in the Information Services operating budget.

No other division's capital equipment purchases have a operating impact. The implementation cost of their programs are within their existing budget. Any new capital purchases will be used to execute their core business functions.

# FINANCIAL SUMMARY

# CAPITAL IMPROVEMENT PROGRAM

Division	Project Number	Project Description	Reprogrammed Dollars	FY2012	Total
<b>COMMUNITY ENHANCEMENT</b>					
	CE01068	Anti Blight	-	2,000,000	2,000,000
	CE01069	Equipment Maint Repairs	-	318,000	318,000
<b>Total for Community Enhancement</b>			-	<b>2,318,000</b>	<b>2,318,000</b>
<b>CITY ENGINEERING</b>					
	EN01003	Urban Art	-	300,000	300,000
	EN01036	STP Pedestrian Routes	-	125,000	125,000
	EN01035	STP Bike Routes	-	125,000	125,000
	EN01004	Traffic Signals (UE) at some levels	-	500,000	500,000
<b>Total for City Engineering</b>			-	<b>1,050,000</b>	<b>1,050,000</b>
<b>EXECUTIVE</b>					
	GA07001	ElectroLux	-	20,000,000	20,000,000
	GA01002	Beale Street Landing	-	9,745,000	9,745,000
	GA01015	Overton Square Redevelopment	-	4,000,000	4,000,000
<b>Total for Executive</b>			-	<b>33,745,000</b>	<b>33,745,000</b>
<b>FIRE SERVICES</b>					
	FS04001	Turnouts (UE)	-	769,598	769,598
	FS02011	Fire Station 43 Replacement	-	500,000	500,000
<b>Total for Fire Services</b>			-	<b>1,269,598</b>	<b>1,269,598</b>
<b>GENERAL SERVICES</b>					
	GS01007	Citywide Major Maint. (UE)	-	1,000,000	1,000,000
	GS0212A	Capital Acquisitions - Police Services	-	2,926,500	2,926,500
	GS0212B	Capital Acquisitions - Fire Services	-	1,890,000	1,890,000
	GS0212C	Capital Acquisitions - City Engineering	-	497,500	497,500
	GS0212D	Capital Acquisitions - Park Services	-	350,000	350,000
	GS0212E	Capital Acquisitions - Community Enhancement	-	332,000	332,000
	GS0212F	Capital Acquisitions - Public Works	-	282,500	282,500
	GS0212G	Capital Acquisitions - General Services	-	219,285	219,285
	GS0212H	Capital Acquisitions - Public Services	-	112,500	112,500
<b>Total for General Services</b>			-	<b>7,610,285</b>	<b>7,610,285</b>



# FINANCIAL SUMMARY

# CAPITAL IMPROVEMENT PROGRAM

Division	Project Number	Project Description	Reprogrammed Dollars	FY2012	Total
<b>HOUSING AND COMMUNITY DEVELOPMENT</b>					
	CD01083	Cleaborn Homes/Triangle Noir	-	1,500,000	1,500,000
	CD01033	Dixie Homes Revitalization	-	1,400,000	1,400,000
	CD01084	Shelby Voc. Res. Srvs (SVRS)	-	500,000	500,000
<b>Total for Housing and Community Development</b>			<b>-</b>	<b>3,400,000</b>	<b>3,400,000</b>
<b>INFORMATION SERVICES</b>					
	IS01007	Replace Obsolete Equipment	-	500,000	500,000
	IS01053	Treasury System Upgrade	-	2,859,588	2,859,588
	IS01061	Oracle Release 12	-	1,500,000	1,500,000
	IS01072	Radio Banding/FCC Mandate	-	400,000	400,000
	IS01070	Website / Internet Upgrade	340,000	-	340,000
<b>Total for Information Services</b>			<b>340,000</b>	<b>5,259,588</b>	<b>5,599,588</b>
<b>MATA</b>					
	GA03018	Preventative Maintenance	-	5,250,000	5,250,000
<b>Total for MATA</b>			<b>-</b>	<b>5,250,000</b>	<b>5,250,000</b>
<b>PARK SERVICES</b>					
	PK09002	Zoo Major Maintenance	-	250,000	250,000
	PK08026	Brooks Museum Security System	-	300,000	300,000
	PK07092	City Park Rehab and Maint	-	382,000	382,000
	PK07091	Holmes and Tchulahoma Park	-	180,000	180,000
	PK01026	Gaston Comm. Center Rehab	350,000	-	350,000
	PK07089	Charjean Park Improvements	750,000	-	750,000
	PK08027	Mallory - Neely House	268,000	-	268,000
<b>Total for Park Services</b>			<b>1,368,000</b>	<b>1,112,000</b>	<b>2,480,000</b>
<b>POLICE SERVICES</b>					
	PD04013	Crump Station	-	1,000,000	1,000,000
<b>Total for Police Services</b>			<b>-</b>	<b>1,000,000</b>	<b>1,000,000</b>



# FINANCIAL SUMMARY

# CAPITAL IMPROVEMENT PROGRAM

Division	Project Number	Project Description	Reprogrammed Dollars	FY2012	Total
<b>PUBLIC WORKS</b>					
	PW04007	ADA Curb Ramps	-	1,200,000	1,200,000
	PW01179	Holmes/Malone/Lamar	-	200,000	200,000
	PW01040	Resurfacing	-	6,500,000	6,500,000
	PW01093	Street Lighting	-	700,000	700,000
	PW01179	Holmes Road East Malone - Lamar	-	1,600,000	1,600,000
	PW01199	STP Repaving	4,674,323	-	4,674,323
<b>Total for Public Works</b>			<b>4,674,323</b>	<b>10,200,000</b>	<b>14,874,323</b>
<b>SEWER WATER</b>					
	SW02001	Rehab Existing Sewers	14,980,278	14,000,000	28,980,278
	SW05001	Sewer Assessment and Rehab	-	5,000,000	5,000,000
	SW03001	Service To Unsewered Areas	4,036,281	1,000,000	5,036,281
	SW01001	Misc Subdivision Outfalls	15,451,940	2,500,000	17,951,940
	SW02006	Sludge Disp/Earth Complex	5,850,266	500,000	6,350,266
	SW04004	Wolf River Interceptor	23,579,569	4,000,000	27,579,569
	SW02033	South Plant Expansion	15,428,895	4,000,000	19,428,895
	SW04009	Stiles Plant Modification	-	1,000,000	1,000,000
	SW02011	Covered Anaerobic Lagoon	10,935,830	1,000,000	11,935,830
	SW03010	Marys Creek Interceptor	8,414,900	-	8,414,900
	SW04007	Environmental Maint Relocation	8,000,000	-	8,000,000
	SW04008	Loosahatchie Interceptor	4,726,043	-	4,726,043
<b>Total for Sewer Water</b>			<b>111,404,002</b>	<b>33,000,000</b>	<b>144,404,002</b>
<b>STORM WATER</b>					
	St03006	Drainage -ST	46,638,869	18,350,000	64,988,869
	ST03098	Major Drainage Rehab/Replace	17,439,820	9,500,000	26,939,820
	ST04041	Environmental Permitting - ST	1,463,487	200,000	1,663,487
	ST03083	Bridge Repair Storm Water	10,468,361	350,000	10,818,361
	ST03059	Flood Control -ST	7,000,000	1,000,000	8,000,000
	ST04038	Stormwater Pollution - ST	11,000,000	500,000	11,500,000
	ST04010	Curb and Gutter -ST	4,027,720	1,500,000	5,527,720
	ST03111	Airways over Nonconnah	10,647,800	-	10,647,800
	ST01089	Bartlett Rd / Fletcher - ST	4,668,960	-	4,668,960
	ST03021	Gayoso Bayou Culvert - ST	665,000	135,000	800,000
	ST03084	Watkins Storm Water	1,000,000	-	1,000,000
	ST03008	Subdivision Frainage - ST	1,000,000	-	1,000,000
	ST05006	Capital Acquisition	-	1,524,000	1,524,000
<b>Total for Storm Water</b>			<b>116,020,017</b>	<b>33,059,000</b>	<b>149,079,017</b>
<b>TOTAL CAPITAL IMPROVEMENT PROGRAM</b>			<b>233,806,342</b>	<b>138,273,471</b>	<b>372,079,813</b>

